



**Georgia Housing and Finance Authority
2016 Multifamily Affordable Housing Notice of Funding Availability
Invitation to Apply**

I. Overview

The Georgia Housing and Finance Authority (GHFA) hereby notifies interested Applicants of the availability of funds allocated from the Georgia HOME Investment Partnerships Program (HOME). The availability and use of these funds is subject to Federal HOME regulations (24 CFR Parts 91 and 92), and any amendments thereto including the final regulations published by the Department of Housing and Urban Development in the Federal Register. The Georgia Department of Community Affairs (DCA) is the administrator of GHFA programs.

Authorized under Title II of the Cranston–Gonzalez National Affordable Housing Act, as amended, the HOME Program strengthens public–private partnerships to expand the supply of decent, safe, sanitary and affordable housing, with primary attention to rental housing, for very low–income and low–income families. Interested parties may find the regulations governing the use of HOME funds under Title 24, Part 92, of the Code of Federal Regulations. Additional HOME information may also be found at <https://www.hudexchange.info/programs/home/>.

In releasing this Notice of Funding Availability (NOFA), the goal of GHFA is to facilitate construction, rehabilitation, and acquisition/rehabilitation of affordable multifamily rental housing by providing gap financing at rates below those charged by commercial lending institutions. These GHFA HOME NOFA loans are to be leveraged with the Low Income Housing Tax Credits (Housing Credits) and Tax-Exempt Multifamily Housing Revenue Bonds.

DCA, as administrator of GHFA funds, is issuing this NOFA for multifamily rental developments, which are defined as developments of at least seventy-five (75) affordable residential rental units.

All housing developments must meet DCA's core policies and Threshold requirements including but not limited to HOME underwriting criteria which can be found in the 2016 QAP Core and Appendix I (Threshold) requirements. Exceptions would be set forth in this NOFA. All selected properties will be subject to a stringent underwriting review and must be approved by the DCA Project Loan Committee (Committee) prior to final commitment of funds. Properties that are determined by the Committee to pose an undue risk to DCA or GHFA after a full underwriting review will not receive a final commitment of funds.

A copy of this NOFA and other related materials are available on the DCA website at www.dca.ga.gov/housing/HousingDevelopment/programs/HOMERental.asp. Program updates and Frequently Asked Questions will be posted to this site on a regular basis. All inquiries should be directed to home.nofa@dca.ga.gov until the close of this NOFA.

For tax exempt bond debt with 4% Housing Credits, Applicants should utilize the schedule of fees outlined in the 2016 QAP. The Application fee for the HOME NOFA is Five Hundred Dollars (\$500.00).

II. Specific NOFA Requirements

- A. Amount of Funds Available for Award.** DCA anticipates that no less than twelve million dollars (\$12,000,000) will be available under this NOFA. DCA reserves the right to fund, in whole or in part, any, all, or none of the applications submitted in response to this NOFA.
- B. Per Application Award Limit.** DCA will not award more than three million dollars (\$3,000,000) per Application.
- C. Application Limitations.** To apply for awards, eligible Applicants must submit an application to DCA during the Application period referenced in this NOFA. Eligible Applicants may submit more than one Application. However, DCA may consider equitable distribution of resources among Applicants in making final selections.

D. Important Dates

NOFA Release:	March 10, 2016
HOME Consent Application Deadline:	April 30, 2016, 4pm EST
Anticipated Announcement for HOME Consent:	May 30, 2016
Full Housing Credit Application Due:	September 30, 2016
Final Closing Date:	March 31, 2017

The Phase II Environmental document does not need to be submitted in the initial Application submission, but must be included with the Full Housing Credit application.

DCA reserves the right to award up to two (2) HOME Consents to applications that are able to submit a full application with final firm commitments by March 31, 2016 with readiness to proceed to final closing by July 15, 2016. DCA may rescind funds from applicants that meet the March 31, 2016 deadline but fail to close by July 15, 2016.

Applications for funding will be accepted at The Georgia Department of Community Affairs, 60 Executive Park South, NE, Atlanta, Georgia 30329 until the deadline of 4:00 p.m. EST on the dates described above. Applicants should label the file "Multifamily NOFA". One complete application package should be submitted on a flash drive. Any application received after the deadline will be deemed ineligible and will not be considered for funding. Applicants should refer to the detailed submission instructions for additional information regarding the format for Applications.

A HOME Consent application package will include a 2016 HOME Consent Request; DCA Core Application detailing all relevant sources and uses, pro forma, rent, and expense information; 2016 Qualification of Project Team Determination Request and the

required NOFA Application Fee (including all documentation and scoring documentation required by this NOFA). If selected for a HOME Consent, the final application package will be all documents required for submission of a 4% Bond Application and a HOME underwriting package.

- E. Eligible Applicants.** Eligible Applicants include for-profit entities, qualified non-profit entities and Public Housing Authorities that will undertake the eligible activities on behalf of very low income, low income, and moderate-income families as required by the terms of this NOFA. The Project Team must be qualified under the 2016 Project Team Qualification policy set forth in the 2016 DCA Qualified Allocation Plan. No Probationary Participation will be considered under this NOFA.
- F. Eligible Activities.** GHFA will use HOME funds to make loans to finance acquisition and rehabilitation, rehabilitation of existing building(s), or new construction of multifamily rental affordable housing for very low income, low income and moderate income households. All eligible activities must be undertaken in accordance with DCA QAP requirements, HOME regulations, and program requirements.

DCA HOME Loans funded under this NOFA may be used for acquisition of land or construction hard costs. Hard costs include site development, unit/building construction, and Contractor Services—which includes General Requirements (inclusive of payment and performance bonds), Builder's Overhead, and Builder's Profit. Soft costs, acquisition costs, and other project costs must be financed by other financing sources.

- G. Terms of Loan.** DCA HOME loans funded under this NOFA will be 0% interest during construction with payments sized at 1% interest for permanent financing, with an amortization period and term matching that of the first permanent loan. Generally, loans will be structured based on projected cash over the term of the loan, and HOME loans made in conjunction with HUD loans will be cash flow contingent. DCA will require selected Applicants to use DCA HOME funds before other funds are used during construction. All selected Applicants will be required to have a payment and performance bond.

- H. Ineligible Activities/Characteristics.** The following activities or application characteristics will be ineligible for funding under this NOFA:

- Applications that propose refinancing of existing debt with DCA HOME Funds.
- Applications that propose rehabilitation of a property that has an existing DCA HOME loan which is still within the period of affordability.
- Properties that may adversely impact the lease-up or operations of a multifamily development funded by DCA in the preceding two years.
- Other ineligible activities as set forth in the 2016 DCA Qualified Allocation Plan.

I. Minimum Requirements. To be considered for funding, an Applicant must meet all of the following criteria:

1. All Applications must meet the requirements set forth in the 2016 Georgia Qualified Allocation Plan Core and Appendix I (Threshold) including Exhibit A, DCA Underwriting Policies, unless expressly excepted under this NOFA or as set forth in the Q&A posted for this NOFA.
2. Generally, DCA will require that all other debt be subordinate to its loan with the exception of HUD funds and tax exempt bond debt.

J. Selection Criteria. In the event DCA receives funding requests in excess of funds available, DCA will use the following criteria in selecting Applications that will be funded. The criteria are listed in the order of their importance, although DCA will consider all criteria in making selections. It is the Applicant's responsibility to submit sufficient documentation to receive consideration of any Selection Criteria.

Selection Criterion One – HOME Experience

Required: Either the General Partner or Developer team member must currently operate at least one (1) Multifamily HOME Loan funded property in which that member was the owner and developer. This Multifamily HOME Loan funded property must have been awarded after January 1, 2000. The Proposed Project team must be current on all federal loans and have no outstanding compliance issues.

DCA will give preference to applicants where the Owner and Developer entity currently owns and developed five (5) HOME-funded properties. Only properties awarded after January 1, 2000 will be considered. If HOME assisted multifamily experience is derived from participation in a non-DCA HOME property, the Applicant must submit the following additional documentation from the Participating Jurisdiction that funded the HOME loan: verification that the HOME loan is current, verification of timely payment of all required payments for a period of thirty six months prior to January 1, 2016, the property is currently owned by the Applicant, and all real estate taxes have been paid. A copy of the HOME loan agreement must also be provided to DCA as part of the HOME Consent Application package.

Selection Criterion Two – DCA location-based priorities

Applications that can meet the following point levels under related DCA 2016 QAP Scoring sections. Priority within this category will be given to applications that exceed the minimum amounts listed below:

- 6 out of 10 Points available under Community Transportation Options, Brownfield, Revitalization/Redevelopment Plans (Section A or B only).
OR
- 6 out of 10 Points available under Stable Communities and Quality Education Areas.

Selection Criterion Three – Risk-mitigating factors

Applications that propose housing developments with property characteristics that mitigate risk in DCA's loan will be strongly considered. These characteristics include:

- Sites in High Area Median Income Neighborhoods.
- Commitment for at least 20% Project-based Rental Assistance.
- Modeled cash flow that can pay HOME loan over the term of the loan.

DCA may elect to only select one property if two HOME Consent applications are within 2 miles of each other in urban areas or within 10 miles of each other in rural areas.

Selection Criterion Four - Leveraging

Leveraging of public resources is encouraged. The source and extent of the leveraged funds will be considered. Applications with a significant amount of leveraged resources will be strongly considered.

Selection Criterion Five - Readiness to proceed

Applications that submit additional documentation showing the greatest readiness to proceed with closing and construction will be strongly considered. Readiness to proceed documentation may include, but is not limited to, 90-95% complete plans and specifications, scope of work, zoning verification, evidence of site control, timeline for completion of Phase 1 and/or environmental review, proposed construction timeline, survey, PNA (if rehabilitation), and/or financing commitments that may document additional readiness to proceed.

Selection Criterion Six – Willingness to participate in the DCA 811 Program

Applications that agree to accept Section 811 project based rental assistance or other government rental assistance for up to 10% of the units at the property, as laid out in Section A of the Integrated Supportive Housing scoring section of the 2016 QAP.

Selection Criterion Seven – Phased Properties

Applications that can show that the property is part of a phased project where at least one (1) phase has been previously funded with 9% credits.

Selection Criterion Eight – Additional Readiness to Proceed Set-aside

DCA reserves the right to select up to two (2) Applications that can show that the proposed property is "shovel ready" for immediate funding. Additional selection criterion will not be considered. "Shovel ready" will be defined as those that provide:

- HOME Consent application and Full Application on or before the NOFA deadline.
- Completed Environmental Phase I (Phase II if applicable) that meets DCA requirements.
- Substantially completed plans and specifications.

- Timeline that shows reasonable chance of completing DCA Underwriting on or before July 15, 2016.

If other HUD funding is listed as a Source, DCA assumes that the project cannot complete DCA underwriting for a minimum period of nine (9) months absent documentation of an alternate timeline.

K. Compliance with Other Federal Requirements

Applicants must comply with all applicable federal or state laws, regulations and other requirements now or hereafter in effect. The Project Team is responsible for ensuring the proposed program, activities, goals and timetables are in compliance with all federal or state laws, regulations and other requirements.

Areas covered by the applicable laws and regulations include but are not limited to: Non-Discrimination and Equal Access; Fair Housing and Equal Opportunity; Accessibility; Contracting and Procurement; Environmental; Lead Based Paint; Acquisition and Relocation; Financial Management; Labor Standards; and Immigration.